IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP No. 1690of 2007
Date of decision 12 .2.2007

Hukam Singh and another .. petitioners

Versus

Haryana Financial Corporation and others .. Respondents

CORAM: HON'BLE MR. JUSTICE M.M. KUMAR
HON'BLE MR. JUSTICE RAJESH BINDAL

PRESENT: Mr. Arun Jain, Advocate for the petitioner

M.M.Kumar, J.

This petition filed under Article 226 of the Constitution prays for quashing order dated 27.12.2006 (annexure P.8) passed by respondent no.1 directing re-auction of the property which was kept as a collateral security. The petitioner is the highest bidder and his bid of Rs. 29 lacs was accepted by the Auction Committee on 6.12.2006. He had deposited 25 percent of the bid amount as is evident from the minutes of the Auction Committee meeting held on 6.12.2006 (Annexure P.6). Thereafter S/Shri Vikas Gupta and Ashwani Gupta , respondent nos. 5 and 6 had given a bid of Rs. 31 lacs on 15.12.2006. Respondent no.1 took a decision on 27.12.2006 that the unit be put on sale again once more by treating the same as last opportunity and Rs. 31 lacs was kept as reserve price. The petitioner who had given the highest bid of Rs. 29 lacs has approached this Court by arguing that after their bid was accepted *albeit* no letter of acceptance was issued. The respondents could not have ordered for re-auction merely on the receipt of toppling bid of Rs. 31 lacs from respondent nos. 5 and 6 without affording any opportunity of hearing to them.

We have heard learned counsel at considerable length and find

that the writ petition merits dismissal because the opportunity of hearing is required to be given had the toppling bid given by respondent nos. 5 and 6 been accepted then there could have been legitimate claim by the petitioner to afford them an opportunity to compete with respondent nos. 5 and 6 by offering higher price. In the instant case, once respondent no.1 has decided to hold another auction then it would necessarily imply that the petitioner and others would be entitled to participate. They would get adequate opportunity to compete with all other bidders. Moreover, it is well settled that by depositing 25 percent of the bid amount no vested right would accrue to the petitioner. In that regard reliance may be placed on a judgement of the Hon'ble Supreme Court in the case of Delhi Development Authority v. Ravindra Mohan Aggarwal (1999) 3 SCC 172. It is also equally well settled that even after the acceptance of highest bid it can still be challenged by any other person by offering a toppling bid. In that regard, reliance may be placed on a judgement of the Hon'ble Supreme Court in the case of Anil Kumar Srivastava v. State of U.P. (2004) 8 SCC 671. Therefore, the writ petition does not warrant admission.

For the reasons mentioned above, this petition fails and the same is dismissed.

(M.M.Kumar)
Judge

(Rajesh Bindal)
Judge

12.2.2007
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